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[CITY OF BRIGHTON MODEL SERVICE PLAN – SINGLE DISTRICT]

SERVICE PLAN

FOR

_____ METROPOLITAN DISTRICT
CITY OF BRIGHTON, COLORADO

Prepared

by

[NAME OF PERSON OR ENTITY]
[ADDRESS]

[APPROVAL DATE]

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I. INTRODUCTION

A. Purpose and Intent.

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District or other legally available revenues of the District, and to provide for the operation and maintenance of all or a portion of the Public Improvements. The District is an independent unit of local government, separate and distinct from the City. The Public Improvements shall be designed, constructed, operated and maintained in accordance with the City Approvals, and shall be for the use and benefit of all anticipated residents and taxpayers of the District.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose of the District is to finance and fund the construction of the Public Improvements, and for the District to provide ongoing Operation and Maintenance of all or a portion of the Public Improvements. The District shall be authorized to finance the Public Improvements that can be funded from Debt which is to be repaid from the Debt Service Mill Levy, Special Assessments, Fees, and/or other sources of revenue, and to Operate and Maintain certain of the Public Improvements as set forth in the City Approvals, including, without limitation, the maintenance of all landscaping and drainage tracts within the boundaries of the District.

It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with revenues from the Debt Service Mill Levy, Fees, Special Assessments, and/or other sources of revenue, even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, operation and maintenance of the Public Improvements. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Organizers and Consultants. This Service Plan has been prepared by the following:

Organizers	District Counsel
_____	_____
_____	_____
_____	_____
Financial Advisor or Underwriter	**Engineers**
_____	_____
_____	_____
_____	_____
Bond Counsel	
_____	
_____	
_____	

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Board: means the Board of Directors of the District.

City: means the City of Brighton, Colorado.

City Approvals: means, collectively, (a) the final plats for the areas within the District, (b) the final development plans and/or landscape plans for the areas within the District, (c) the construction plans for the public improvements within the District, (d) the development agreements a/k/a subdivision improvement agreements for the areas within the District, (e) any other agreements between the City and the District relating to the area within the District, including, as applicable, the Intergovernmental Agreement, and (f) any amendments made to any of the foregoing documents.

City Council: means the City Council of the City of Brighton, Colorado.

City Code: means the Brighton Municipal Code and any rules and regulations promulgated pursuant thereto.

C.R.S.: means the Colorado Revised Statutes, as the same may be amended from time to time.

Debt: means bonds, notes or other multiple fiscal year financial obligations for the payment of which the District has promised to impose, charge, assess and levy the Debt Service Mill Levy, Fees, Special Assessments and/or pledge other revenues. The definition of Debt shall not include intergovernmental agreements between and among

the District and any other special district that is formed within the Inclusion Area Boundaries and is part of the same development project.
Debt Service Mill Levy: means the mill levy the District is permitted to impose for the payment of the debt service requirements of Debt, as set forth in Section V.C.1.

District: means the _____ Metropolitan District.

End User: means any owner, or tenant of any owner, of any platted Taxable Property within the District for which a certificate of occupancy has been issued who is a resident homeowner, renter, commercial property owner, or commercial tenant. A person or entity that owns undeveloped Taxable Property or that constructs homes or commercial structures with the intention of selling to others is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt. If the District has engaged a municipal adviser that meets the foregoing criteria and has a fiduciary duty to the District, the municipal adviser may fill the role of the External Financial Advisor.

Fees: means any fee, rate, toll, penalty or charge imposed or received by the District for services, programs or facilities provided by the District, as set forth in Section IV.A.18.

Financial Plan: means the Financial Plan described in Section V and attached as **Exhibit C** hereto which has been prepared in accordance with the Special District Act.

Inclusion Area Boundaries: means the boundaries of the area legally described in **Exhibit B-2** and depicted on the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, depicting the property proposed for inclusion within the District.

Initial District Boundaries: means the boundaries of the area legally described in **Exhibit B-1** and depicted on the Initial District Boundary Map, which may change from time to time if the District undergoes inclusions or exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Section IV.A.12.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, depicting the District's initial boundaries.

Intergovernmental Agreement: means the intergovernmental agreement between the District and the City, a form of which is attached hereto as **Exhibit E.** The

Intergovernmental Agreement may be amended from time to time by the District and the City.

Maximum Combined Mill Levy: means the maximum combined Debt Service Mill Levy and Operations and Maintenance Mill Levy that may be imposed by the District, as further set forth in Section V.C.3. hereof.

Mill Levy Adjustment: means if, on or after January 1 of the year of approval of the Service Plan, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the Debt Service Mill Levy and the Operation and Maintenance Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after such January 1, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Operate and Maintain or Operation and Maintenance: means (a) the ongoing operation, maintenance, planning, design, acquisition, construction, repair and replacement of all or a portion of the Public Improvements or the provision of services related thereto; (b) the reasonable and necessary costs of ongoing administrative, accounting and legal services to the District; and (c) covenant enforcement and design review services the District may perform; all in accordance with the provisions and requirements of, as applicable, the Special District Act, this Service Plan, the Intergovernmental Agreement, the City Code and the City Approvals.

Operation and Maintenance Mill Levy: means the mill levy the District is permitted to impose for the payment of the District's Operation and Maintenance Costs, as set forth in Section V.C.2 below.

Project: means the development or property commonly referred to as _____.

Public Improvement Fee: means revenue received by the District from a public improvement fee on taxable retail sales transactions occurring within the District, or similar fee imposed by the owner of property in the District on similar transactions.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, financed, Operated and Maintained, as generally described in Section IV, **Exhibit E**, the Special District Act and in accordance with the City Approvals, that serve the future taxpayers and inhabitants of the property within the District boundaries as determined by the Board.

Service Plan: means this service plan for the District approved by the City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with this Service Plan and applicable State law.

Special Assessment: means the levy of an assessment within the boundaries of a special improvement district pursuant to Section IV.A.19.

Special District Act: means Title 32, Article 1 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property which is subject to ad valorem taxes imposed by the District.

III. PROPERTY INFORMATION; ESTIMATED PUBLIC IMPROVEMENT COSTS

A. Property Information.

A vicinity map depicting the Project is attached hereto as **Exhibit A.** The property within the District boundaries includes approximately _____ acres of [insert type of land use, i.e., agricultural] land, and the legal description and detailed boundary map are attached hereto as **Exhibit B-1** and **C-1**, respectively**.** It is anticipated that the Initial District Boundaries may change from time to time as the District undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Section IV.A.12.

The population of the District at build-out is estimated to be approximately _____ people. The current assessed valuation of the property within the District boundaries is _____ Dollars ($_____) and the projected assessed value of the District at build-out is expected to be sufficient to reasonably discharge the Debt under the Financial Plan attached hereto as **Exhibit D**.

Approval of this Service Plan by the City does not imply approval or vesting of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, which approvals shall be as set forth in the City Approvals. The approval of this Service Plan by the City in no way relieves the developer of the Project of any developer guarantees or other conditions, requirements or commitments as set forth in the City Approvals or as otherwise required by the City.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements. A list of the Public Improvements the District anticipates providing, including a cost estimate for each category of improvements in current-year dollars, is attached hereto as **Exhibit E**. The District shall be authorized to construct Public Improvements as provided hereunder and as may be more specifically defined in the City Approvals. The estimated costs of the Public Improvements were prepared based upon a preliminary engineering survey and estimates and is approximately _____ Dollars ($_____). Such estimated costs

are based on the assumption that construction will conform to the City Approvals and any other applicable local, State or Federal requirements.

IV. DESCRIPTION OF POWERS, IMPROVEMENTS AND SERVICES; SERVICE PLAN AMENDMENT

A. Powers of the District and Limitations.

The District shall have the power and authority to provide the Public Improvements and related Operation and Maintenance activities as such power and authority is described in the Special District Act and other applicable statutes, common law, and the Constitution, subject to the limitations set forth herein, and in the City Approvals.

1. Operation and Maintenance. The District shall Operate and Maintain all or any portion of the Public Improvements as set forth in the City Approvals. It is anticipated that, at a minimum, the District may own, maintain, repair and replace interior streets, local storm drainage improvements and local parks that are smaller than 3 acres in size. The City and the District may specifically provide in the Intergovernmental Agreement or other City Approval the Public Improvements that will be maintained by the City and the Public Improvements that will be maintained by the District. The District may be required to dedicate all or any portion of the Public Improvements to the City or other appropriate governmental entity as set forth in the City Approvals. The District shall have the power to provide ongoing covenant enforcement and design review services in accordance with the Special District Act as part of its ongoing Operation and Maintenance activities.

2. Fire Protection Limitation The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to the City Approvals.

4. Limitation on Extraterritorial Service. Except as set forth in the City Approvals, the District shall not be authorized to provide services or facilities outside the District boundaries or to establish Fees, rates, tolls, penalties or charges for any such services or facilities.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities shall be constructed except pursuant to the City Approvals and that no such facilities owned, operated or otherwise allowed by the District shall affect the ability of the City to expand its public safety telecommunication facilities or impair existing telecommunication facilities.

6. Construction Standards Requirement. The District will ensure that the Public Improvements are designed and constructed in accordance with the City Approvals and with the standards and specifications of any other governmental entities having proper jurisdiction over the Project. All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City. The District will obtain the approval of civil engineering plans from the appropriate jurisdiction and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Zoning and Land Use Requirements. The District shall be subject to all of the City's zoning, subdivision, building code and other land use requirements.

8. Growth Limitations. The City shall not be limited in implementing City Council or voter approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue.

9. Conveyance. The District agrees to convey to the City any interest in real property owned by the District that is reasonably necessary, in the City's sole discretion, for any City capital improvement projects for transportation, utilities or drainage.

10. Eminent Domain. The District shall be authorized to utilize the power of eminent domain only after prior consent from the City Council, which consent shall be evidenced by resolution, or as otherwise set forth in the Intergovernmental Agreement.

11. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to the Intergovernmental Agreement.

12. Inclusion and Exclusion Limitation. Except for property within the Inclusion Area Boundaries, the District shall not include any properties into its boundaries without the prior consent of the City Council, which consent shall be evidenced by resolution. The District shall not exclude any property from its boundaries without the prior consent of the City Council, which consent shall be evidenced by resolution.

13. Overlap Limitation. Without the prior consent of the City Council, which consent shall be evidenced by resolution, the boundaries of the District shall not overlap with any other district formed under the Special District Act.

14. Sales and Use Tax. The District shall not exercise its City sales and use tax exemption.

15. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to the Intergovernmental Agreement. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

16. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior consent of the City, which consent shall be evidenced by resolution.

17. Subdistrict Limitation. The District shall not create any subdistrict pursuant to Section 32-1-1101, C.R.S. without the prior consent of the City Council, which consent shall be evidenced by resolution.

18. Fees. The District may impose and collect Fees for services, programs or facilities furnished by the District, and the District may from time to time increase or decrease the Fees. The District may also receive revenues from Public Improvement Fees. The District may use the revenue from Fees and Public Improvement Fees for the payment of Debt and Operation and Maintenance costs.

19. Special Assessments. If authorized in the Intergovernmental Agreement, the District may establish one or more special improvement districts within the District boundaries and may levy a Special Assessment within the special improvement district in order to finance all or part of the costs of any Public Improvements to be constructed or installed that the District is authorized to finance.

20. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Debt Service Mill Levy, the Operation and Maintenance Mill Levy, Fees and Special Assessments, have been established under the authority of the City to approve the Service Plan pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

The filing of any bankruptcy petition by the District shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, thus necessitating a material modification that must be submitted to the City for its consideration as a Service Plan Amendment.

21. Reimbursement Agreements. If the District utilizes reimbursement agreements to obtain repayment from third-party developers or adjacent landowners for costs of Public Improvements that benefit third-party landowners, and if such Public Improvements have been financed by the District through the issuance of Debt that remains outstanding, any and all resulting reimbursements received shall be deposited in the District's debt service fund and used solely for the purpose of retiring the District's Debt that financed such Public Improvement, or as otherwise set forth in the Intergovernmental Agreement.

22. Major and Minor Arterial Streets. The District shall be required to construct or cause to be constructed the full width of all major and minor arterial streets within the District and around the perimeter of the District, as further detailed in the City Approvals, unless otherwise provided in the Intergovernmental Agreement.

B. Service Plan Amendment.

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in IV.A. above or in V.B, V.C or V.D herein shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin or modify such actions of the District, including the necessity for the District to process a Service Plan amendment. All Service Plan Amendments shall be processed by the City in accordance with the provisions of the Special District Act, including, without limitation, all notice and public hearing requirements.

V. FINANCIAL PROVISIONS

A. General.

The District shall be authorized to provide for the financing, planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The District shall also be authorized to provide Operation and Maintenance as further set forth herein and in the Intergovernmental Agreement, which shall be paid from the Operation and Maintenance Mill Levy and other legally available revenues of the District. The District may impose a mill levy on Taxable Property as a primary source of revenue for repayment of Debt service and for Operation and Maintenance, subject to the terms and provisions contained herein and in the Intergovernmental Agreement. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the assessment of Fees as provided in Section 32-1-1001(l), C.R.S. and in accordance with Section IV.A.18; and the imposition of Special Assessments as provided in Section 32-1-1101.7, C.R.S. and in accordance with Section IV.A.19.

The Financial Plan for the District, which is attached hereto as **Exhibit D**, reflects that the District will issue no more Debt than the District can reasonably expect to pay from revenues derived from the Debt Service Mill Levy, Fees, Special Assessments and/or other legally available revenues. The District may issue such Debt on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan and phased to serve development as it occurs.

B. Maximum Voted Interest Rate, Maximum Underwriting Discount and Maximum Term of Debt.

1. The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. All Debt-related election ballot questions shall provide that in the event of a default, the maximum interest rate on any Debt shall not exceed fifteen percent (15%). Interest on any

Debt of the District, or other District obligations payable in whole or in part from the revenues derived from the Debt Service Mill Levy, shall be simple per annum interest, and shall not compound. The maximum underwriting discount shall be five percent (5%). The documents pursuant to which any Debt is issued shall prohibit the acceleration of principal of such Debt.

2. The maximum term of any Debt issued by the District shall be forty (40) years, and any amount of outstanding principal and/or accrued interest that remains unpaid upon the final maturity date of any Debt shall be deemed to be forever discharged.

3. Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities. All debt-related election ballot questions shall be drafted so as to reflect the provisions in this Section V.B. Prior to any election to authorize the issuance of Debt, the District shall cause a letter prepared by an attorney in the State of Colorado to be provided to the City opining that the election questions related to the Debt include the limitations in Section V.B.

4. Failure to observe the requirements established in this Section shall constitute a material modification under the Service Plan and shall entitle the City to all remedies available at law and in equity.

C. Debt Service Mill Levy, Operation and Maintenance Mill Levy and Maximum Combined Mill Levy.

1. The District may impose an ad valorem Debt Service Mill Levy (a mill being equal to 1/10th of 1 cent) upon the Taxable Property within the District for the purpose of paying the debt service requirements on District Debt. The Debt Service Mill Levy shall not exceed fifty (50) mills, subject to the Mill Levy Adjustment, without the prior approval of the City Council, which approval shall be evidenced by resolution. In addition, the District may request that the City process a Service Plan Amendment to increase the maximum Debt Service Mill Levy that may be imposed to repay District Debt or to provide that the Debt Service Mill Levy shall be such amount as is necessary to pay the debt service on such Debt, without limitation of rate.

No Debt Service Mill Levy shall be imposed by the District to finance Public Improvements until the City has approved a final plat and development agreement for the phase of development within the District Boundaries that include such Public Improvements.

The District shall not impose a Debt Service Mill Levy to pay the debt service requirements on District Debt for more than forty (40) years after the date on which the District imposed the initial Debt Service Mill Levy for the payment of the first issuance of District Debt unless: (a) a majority of the Board imposing the Debt Service Mill Levy is comprised of End Users, and (b) the Board has voted in favor of extending the time that the Debt Service Mill Levy may be imposed for the payment of District Debt.

2. The District may impose an ad valorem Operation and Maintenance Mill Levy (a mill being equal to 1/10th of 1 cent) upon the Taxable Property within the District for the purpose of paying Operation and Maintenance costs.

No Operation and Maintenance Mill Levy shall be imposed until the Intergovernmental Agreement is executed by both the City and the District.

3. The maximum combined mill levy, including the Debt Service Mill Levy and the Operation and Maintenance Mill Levy (the "Maximum Combined Mill Levy"), shall not exceed sixty (60) mills, subject to the Mill Levy Adjustment, without the prior approval of the City Council, which approval shall be evidenced by resolution. In addition, the District may request that the City process a Service Plan Amendment to increase the Maximum Combined Mill Levy.

4. Failure to observe the requirements established in this Section V.C. shall constitute a material modification under the Service Plan and shall entitle the City to all remedies available at law and in equity.

D. Debt Parameters.

1. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., all other requirements of State law and the provisions of this Service Plan. In addition, the District shall not: (a) issue any Debt; (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the debt service fund; (c) impose and/or collect any Fees to be used for the purpose of repayment of Debt, or (d) levy any Special Assessments, prior to the approval by the City of a final plat and development agreement relating to that phase of development within the District Boundaries that will be financed with such Debt, mill levy, Fees or Special Assessments.

2. The maximum total aggregate principal amount of Debt that may be issued or incurred by the District shall not exceed _____ Dollars ($_____), without the prior approval of the City Council, which approval shall be evidenced by resolution.

3. The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the District's obligations, nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

4. Failure to observe the requirements established in this Section V.D. shall constitute a material modification under the Service Plan and shall entitle the City to all remedies available at law and in equity.

E. Debt Instrument Disclosure Requirement.

In the text of any instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

> By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the

> resolution of the District authorizing the issuance of this Bond and in the Service Plan for the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

F. Privately Placed Debt Limitation.

Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

> We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.
>
> We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

G. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board, and any such entity shall be subject to and bound by all terms, conditions, and limitations of the Service Plan and the Intergovernmental Agreement.

H. District's Operation and Maintenance Costs.

In addition to the capital costs of the Public Improvements, the District will require operating funds for Operation and Maintenance costs; the first year's operating budget is estimated to be _____ Dollars ($_____) which is anticipated to be derived from the Operation and Maintenance Mill Levy, Fees, and other sources of District revenue.

VI. AUDIT AND ANNUAL REPORT

To the extent that the District is required to prepare an audit in accordance with the provisions of State law, the District shall submit a copy of its annual audit to the City within 30 days of filing its audit with the State, which requirement may be waived by the City in its sole discretion.

The District shall be responsible for submitting an annual report to the City Clerk no later than March 1 of each year. The annual report shall include information as to the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

2. Copy of the District's budget resolution for the current year and any budget amendments from the prior year.

3. Copy of the District's rules and regulations, if any, as of December 31 of the prior year.

4. Copy of any resolutions or Fee schedules adopted by the District relating to the imposition of Fees, Public Improvement Fees, or Special Assessments by the District.

5. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

6. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

7. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

8. A list of all Public Improvements that are owned and/or Operated and Maintained by the District, including identification of the standards by which the Public Improvements are required to be Operated and Maintained.

9. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

10. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

11. Any alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan.

VII. DISSOLUTION

The District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the applicable State statutes when the District Board deems it to be in the best interest of the District to dissolve, provided that the District is no longer performing the Operation and Maintenance services and such responsibilities have been assigned to and assumed by another entity. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

VIII. MEETING LOCATIONS AND DISCLOSURE NOTICES

All special and regular District meetings shall be open to the public and shall be held at a location within City limits that is within twenty miles of the District boundaries. The District shall provide annual notice to all eligible electors of the District, in accordance with Section 32-1-809, C.R.S. In addition, the District shall record a District public disclosure document and a map of the District boundaries with the Clerk and Recorder of each County in which District property is located, in accordance with Section 32-1-104.8, C.R.S. The District shall use reasonable efforts to ensure that copies of the annual notice, public disclosure document and map of the District boundaries are provided to potential purchasers of real property within the District as part of the seller's required property disclosures.

IX. INTERGOVERNMENTAL AGREEMENT

The District and the City shall enter into an Intergovernmental Agreement, a form of which is attached hereto as **Exhibit F**, provided that such Intergovernmental Agreement may be revised by the City and the District to include such additional details and requirements therein as are deemed necessary by the City and the District in connection with the development of the Project and the financing of the Public Improvements. The District shall approve the Intergovernmental Agreement at its first Board meeting after its organizational election. Failure by the District to execute the Intergovernmental Agreement as required herein shall constitute a material modification hereunder. The Intergovernmental Agreement may be amended from time to time by the District and the City, provided that any such amendments shall be in compliance with the provisions of this Service Plan.

X. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;

2. The existing service in the area to be served by the District is inadequate for present and projected needs;

3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and

4. The area to be included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

EXHIBIT A

Vicinity Map

EXHIBIT B-1

Initial District Boundary Legal Description

EXHIBIT B-2
Inclusion Area Boundary Legal Description

EXHIBIT C-1

Initial District Boundary Map

EXHIBIT C-2
Inclusion Area Boundary Map

EXHIBIT D

Financial Plan

EXHIBIT E

List of Public Improvements and Estimated Costs

EXHIBIT F

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT is made and entered into by and between the **City of Brighton, Colorado,** a municipal corporation of the State of Colorado (the "City"), and **_____ Metropolitan District,** a quasi-municipal corporation and political subdivision of the State of Colorado (the "District").

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan dated _____, 20__, as amended from time to time by City approval (the "Service Plan"); and

WHEREAS, the Service Plan requires the execution of an intergovernmental agreement between the City and the District; and

WHEREAS, the City and the District have determined it to be in their best interests to enter into this Intergovernmental Agreement ("Agreement"); and

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Incorporation by Reference. The Service Plan is hereby incorporated in this agreement by this reference. The District agrees to comply with all provisions of the Service Plan, as it may be amended from time to time in accordance with the provisions thereof, and Title 32, Article 1, C.R.S. (the "Special District Act").

2. Maintenance of Public Improvements. The District agrees that it shall maintain the following Public Improvements: [to be provided]

3. Enforcement. The parties agree that this Agreement may be enforced in law, or in equity for specific performance, injunctive, or other appropriate relief. The parties also agree that this Agreement may be enforced pursuant to Section 32-1-207, C.R.S. and other provisions of the Special District Act granting rights to municipalities or counties approving a service plan of a special district.

4. Entire Agreement of the Parties. This Agreement constitutes the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the parties with respect to the subject matter contained herein.

5. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the parties hereto.

6. Governing Law; Venue. The internal laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement, without giving effect to choice of law or conflict of law principles. The parties hereby submit to the jurisdiction of and venue in the district court in Adams County, Colorado. In any proceeding brought to enforce the provisions of this Agreement, the prevailing party therein shall be entitled to an award of reasonable attorneys' fees, actual court costs and other expenses incurred.

7. Beneficiaries. Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to confer any rights upon any persons or entities not named as parties.

8. Effect of Invalidity. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated.

9. Assignability. Neither the City nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other party.

10. Successors and Assigns. This Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

_____ METROPOLITAN DISTRICT

BY: _____
President

ATTEST:

By:_____
Secretary

CITY OF BRIGHTON, COLORADO

By:_____
Mayor

ATTEST:

By: _____
City Clerk